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FM AMEMBASSY SAN SALVADOR  
TO SECSTATE WASHDC 0707

UNCLAS SAN SALVADOR 000134

SIPDIS

PASS TO WHA/CEN AND EEB/CIP/MA- TIM FINTON  
PASS TO USTR FOR CATHERINE HINCKLEY

E.O. 12958: N/A  
TAGS: [ECON](#) [ECPS](#) [ITU](#) [ES](#)  
SUBJECT: SECTION 1377 TELECOM UPDATE

REF A: STATE 04730 B: GAZIS-HINCKLEY E-MAILS ON 1/27/09  
C: 2008 SAN SALVADOR 1051

11. Per Ref A request, post asked Rene Salazar of the Ministry of Economy (MINEC) when MINEC would respond to the November 10 USTR letter about El Salvador's recent tax on incoming international calls. Salazar told Econoff that MINEC is still awaiting input from the telecommunications regulator, SIGET, before preparing a formal reply. Post underscored that USTR would like to use El Salvador's input to prepare its 1377 report to be issued in March.

12. Post also forwarded to USTR, EEB/CIP/MA and WHA/CEN Americatel's briefing memo (Ref B) explaining the legal grounds for its challenge to the tax in the Constitutional Chamber of the Salvadoran Supreme Court. In order to solicit a court order to block the collection of the tax, Americatel is contesting the new tax under Salvadoran law, but the memo does not cite any violation of international agreements.

BLAU